

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
Alexandria Division

UNITED STATES OF AMERICA	)	
	)	
v.	)	CRIMINAL NO. 03-571-A
	)	
HAZEM GARADA	)	

PLEA AGREEMENT

Paul J. McNulty, United States Attorney for the Eastern District of Virginia, Kelli H. Ferry, Special Assistant United States Attorney, the defendant, Hazem Garada, and the defendant's counsel, Brian Moran, Esq. have entered into an agreement pursuant to Rule 11 of the Federal Rules of Criminal Procedure. The terms of the agreement are as follows:

**1. Offense and Maximum Penalties**

The defendant agrees to waive indictment and plead guilty to a single count criminal information charging the defendant with health care fraud, in violation of Title 18, United States Code, Section 1347. The maximum penalties for this offense are a maximum term of ten years of imprisonment, a fine of \$250,000, full restitution, a special assessment, and not more than three years of supervised release. The defendant understands that this supervised release term is in addition to any prison term the defendant may receive, and that a violation of a term of supervised release could result in the defendant being returned to prison for the full term of supervised release.

**2. Factual Basis for the Plea**

The defendant will plead guilty because the defendant is in fact guilty of the charged offense. The defendant admits the facts set forth in the statement of facts filed with this plea agreement and agrees that those facts establish guilt of the offense charged beyond a reasonable doubt. The

statement of facts, which is hereby incorporated into this plea agreement, constitutes a stipulation of facts for purposes of Section 1B1.2(a) of the Sentencing Guidelines.

### **3. Assistance and Advice of Counsel**

The defendant is satisfied that the defendant's attorney has rendered effective assistance. The defendant understands that by entering into this agreement, defendant surrenders certain rights as provided in this agreement. The defendant understands that the rights of criminal defendants include the following:

- a. the right to plead not guilty and to persist in that plea;
- b. the right to a jury trial;
- c. the right to be represented by counsel – and if necessary have the court appoint counsel – at trial and at every other stage of the proceedings; and
- d. the right at trial to confront and cross-examine adverse witnesses, to be protected from compelled self-incrimination, to testify and present evidence, and to compel the attendance of witnesses.

### **4. Role of the Court and the Probation Office**

The defendant understands that the Court has jurisdiction and authority to impose any sentence within the statutory maximum described above but that the Court will determine the defendant's actual sentence in accordance with the Sentencing Guidelines and Policy Statements. The defendant understands that the Court has not yet determined a sentence and that any estimate of the probable sentencing range under the sentencing guidelines the defendant may have received from the defendant's counsel, the United States, or the Probation Office, is a prediction, not a promise, and is not binding on the United States, the Probation Office, or the Court. The United States makes no

promise or representation concerning what sentence the defendant will receive, and the defendant cannot withdraw a guilty plea based upon the actual sentence. Notwithstanding the foregoing, the parties further agree that the actual loss in this matter is between \$120,000 and \$200,000 for purposes of sentencing and the United States agrees to recommend a sentence at the low end of the Sentencing Guidelines. The parties further agree that there exists no aggravating or mitigating circumstance of a kind, or to a degree, not adequately taken into consideration by the Sentencing Commission in formulating the Guidelines that should result in a sentence different from the range determined by the Court. Accordingly, the parties agree not to seek or support any departure from or sentence outside of the applicable guideline range for any reason not set out explicitly in this agreement.

#### **5. Waiver of Appeal and Review**

The defendant also understands that Title 18, United States Code, Section 3742 affords a defendant the right to appeal the sentence imposed. Nonetheless, the defendant knowingly waives the right to appeal the conviction and any sentence within the maximum provided in the statute of conviction (or the manner in which that sentence was determined) on the grounds set forth in Title 18, United States Code, Section 3742 or on any ground whatsoever, in exchange for the concessions made by the United States in this plea agreement. This agreement does not affect the rights or obligations of the United States as set forth in Title 18, United States Code, Section 3742(b). The defendant also hereby waives all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including without limitation any records that may be sought

under the Freedom of Information Act, Title 5, United States Code, Section 552, or the Privacy Act, Title 5, United States Code, Section 552a.

**6. Special Assessment**

Before sentencing in this case, the defendant agrees to pay a mandatory special assessment of one hundred dollars (\$100.00) per count of conviction.

**7. Payment of Monetary Penalties**

The defendant understands and agrees that, pursuant to Title 18, United States Code, Sections 3613, whatever monetary penalties are imposed by the Court will be due and payable immediately and subject to immediate enforcement by the United States as provided for in Section 3613. Furthermore, the defendant agrees to provide all of his financial information to the United States and the Probation Office and, if requested, to participate in a pre-sentencing debtor's examination. If the Court imposes a schedule of payments, the defendant understands that the schedule of payments is merely a minimum schedule of payments and not the only method, nor a limitation on the methods, available to the United States to enforce the judgment. If the defendant is incarcerated, the defendant agrees to participate in the Bureau of Prisons' Inmate Financial Responsibility Program, regardless of whether the Court specifically directs participation or imposes a schedule of payments.

**8. Restitution for Offense of Conviction**

The defendant agrees to the entry of a Restitution Order for the full amount of the victims' losses. At this time, the Government is aware that the following victims have suffered the following losses:

Anthem Blue Cross and Blue Shield	\$89,783
Attn: Joe Osbourne	
2015 Staples Mill Road	
P.O. Box 27401	
Richmond, VA 23279	

Medicare	\$101,198
Check Payable to:	
United States Department of Health	
and Human Services	
Check Deliverable to:	
Special Agent Kenneth L. Marty	

**9. Immunity from Further Prosecution in this District**

The United States will not further criminally prosecute the defendant in the Eastern District of Virginia for the specific conduct described in the information or statement of facts.

**10. Dismissal of Other Counts**

As a condition of the execution of this agreement and the Court's acceptance of the defendant's plea of guilty, the United States will move to dismiss Count 1 of the pending indictment against this defendant.

**11. Defendant's Cooperation**

The defendant agrees to cooperate fully and truthfully with the United States, and provide all information known to the defendant regarding any criminal activity as requested by the government.

In that regard:

- a. The defendant agrees to testify truthfully and completely at any grand juries, trials or other proceedings.
- b. The defendant agrees to be reasonably available for debriefing and pre-trial conferences as the United States may require.
- c. The defendant agrees to provide all documents, records, writings, or materials of any kind in the defendant's possession or under the defendant's care, custody, or control relating directly or indirectly to all areas of inquiry and investigation.
- d. The defendant agrees that, upon request by the United States, the defendant will voluntarily submit to polygraph examinations to be conducted by a polygraph examiner of the United States' choice.
- e. The defendant agrees that the Statement of Facts is limited to information to support the plea. The defendant will provide more detailed facts relating to this case during ensuing debriefings.
- f. The defendant is hereby on notice that the defendant may not violate any federal, state, or local criminal law while cooperating with the government, and that the government will, in its discretion, consider any such violation in evaluating whether to file a motion for a downward departure or reduction of sentence.
- g. Nothing in this agreement places any obligation on the government to seek the defendant's cooperation or assistance.

## **12. Use of Information Provided by the Defendant Under This Agreement**

Pursuant to Section 1B1.8 of the Sentencing Guidelines, no truthful information that the defendant provides pursuant to this agreement will be used to enhance the defendant's guidelines range. The United States will bring this plea agreement and the full extent of the defendant's cooperation to the attention of other prosecuting offices if requested. Nothing in this plea agreement, however, restricts the Court's or Probation Office's access to information and records in the possession of the United States. Furthermore, nothing in this agreement prevents the government in any way from prosecuting the defendant should the defendant provide false, untruthful, or perjurious information or testimony or from using information provided by the defendant in furtherance of any forfeiture action, whether criminal or civil, administrative or judicial.

## **13. Defendant Must Provide Full, Complete and Truthful Cooperation**

This plea agreement is not conditioned upon charges being brought against any other individual. This plea agreement is not conditioned upon any outcome in any pending investigation. This plea agreement is not conditioned upon any result in any future prosecution which may occur because of the defendant's cooperation. This plea agreement is not conditioned upon any result in any future grand jury presentation or trial involving charges resulting from this investigation. This plea agreement is conditioned upon the defendant providing full, complete and truthful cooperation.

## **14. Motion for a Downward Departure**

The parties agree that the United States reserves the right to seek any departure from the applicable sentencing guidelines, pursuant to Section 5K1.1 of the Sentencing Guidelines and Policy Statements, or any reduction of sentence pursuant to Rule 35(b) of the Federal Rules of Criminal

Procedure, if, in its sole discretion, the United States determines that such a departure or reduction of sentence is appropriate.

#### **15. The Defendant's Obligations Regarding Assets Subject to Forfeiture**

The defendant agrees to identify all assets over which the defendant exercises or exercised control, directly or indirectly, within the past five years, or in which the defendant has or had during that time any financial interest. The defendant agrees to take all steps as requested by the United States to obtain from any other parties by any lawful means any records of assets owned at any time by the defendant. The defendant agrees to undergo any polygraph examination the United States may choose to administer concerning such assets and to provide and/or consent to the release of the defendant's tax returns for the previous five years. Defendant agrees to forfeit to the United States all of the defendant's interests in any asset of a value of more than \$1000 that, within the last five years, the defendant owned, or in which the defendant maintained an interest, the ownership of which the defendant fails to disclose to the United States in accordance with this agreement.

#### **16. Forfeiture Agreement**

The defendant agrees to forfeit all interests in any fraud related asset that the defendant owns or over which the defendant exercises control, directly or indirectly, as well as any property that is traceable to, derived from, fungible with, or a substitute for property that constitutes the proceeds of his offense. The defendant further agrees to waive all interest in the asset(s) in any administrative or judicial forfeiture proceeding, whether criminal or civil, state or federal. The defendant agrees to consent to the entry of orders of forfeiture for such property and waives the requirements of Federal Rules of Criminal Procedure 32.2 and 43(a) regarding notice of the forfeiture in the charging instrument, announcement of the forfeiture at sentencing, and incorporation of the forfeiture in the

judgment. The defendant understands that the forfeiture of assets is part of the sentence that may be imposed in this case.

**17. Waiver of Further Review of Forfeiture**

The defendant further agrees to waive all constitutional and statutory challenges in any manner (including direct appeal, habeas corpus, or any other means) to any forfeiture carried out in accordance with this Plea Agreement on any grounds, including that the forfeiture constitutes an excessive fine or punishment. The defendant also waives any failure by the Court to advise the defendant of any applicable forfeiture at the time the guilty plea is accepted as required by Rule 11(b)(1)(J). The defendant agrees to take all steps as requested by the United States to pass clear title to forfeitable assets to the United States, and to testify truthfully in any judicial forfeiture proceeding. The defendant understands and agrees that all property covered by this agreement is subject to forfeiture as proceeds of illegal conduct or substitute assets for property otherwise subject to forfeiture.

**18. Permanent Surrender of Licenses**

The defendant agrees to forfeit and relinquish permanently his license to practice medicine, in all jurisdictions, and his Drug Enforcement Administration license number.

**19. Breach of the Plea Agreement and Remedies**

This agreement is effective when signed by the defendant, the defendant's attorney, and an attorney for the United States. The defendant agrees to entry of this plea agreement at the date and time scheduled with the Court by the United States (in consultation with the defendant's attorney). If the defendant withdraws from this agreement, or commits or attempts to commit any additional

federal, state or local crimes, or intentionally gives materially false, incomplete, or misleading testimony or information, or otherwise violates any provision of this agreement, then:

- a. The United States will be released from its obligations under this agreement, including any obligation to seek a downward departure or a reduction in sentence. The defendant, however, may not withdraw the guilty plea entered pursuant to this agreement;
- b. The defendant will be subject to prosecution for any federal criminal violation, including, but not limited to, perjury and obstruction of justice, that is not time-barred by the applicable statute of limitations on the date this agreement is signed. Notwithstanding the subsequent expiration of the statute of limitations, in any such prosecution, the defendant agrees to waive any statute-of-limitations defense; and
- c. Any prosecution, including the prosecution that is the subject of this agreement, may be premised upon any information provided, or statements made, by the defendant, and all such information, statements, and leads derived therefrom may be used against the defendant. The defendant waives any right to claim that statements made before or after the date of this agreement, including the statement of facts accompanying this agreement or adopted by the defendant and any other statements made pursuant to this or any other agreement with the United States, should be excluded or suppressed under Fed. R. Evid. 410, Fed. R. Crim. P. 11(f), the Sentencing Guidelines or any other provision of the Constitution or federal law.

Any alleged breach of this agreement by either party shall be determined by the Court in an appropriate proceeding at which the defendant's disclosures and documentary evidence shall be admissible and at which the moving party shall be required to establish a breach of the plea agreement by a preponderance of the evidence. The proceeding established by this paragraph does not apply, however, to the decision of the United States whether to file a motion based on "substantial assistance" as that phrase is used in Rule 35(b) of the Federal Rules of Criminal Procedure and Section 5K1.1 of the Sentencing Guidelines and Policy Statements. The defendant agrees that the decision whether to file such a motion rests in the sole discretion of the United States.

**20. Nature of the Agreement and Modifications**

This written agreement constitutes the complete plea agreement between the United States, the defendant, and the defendant's counsel. The defendant and his attorney acknowledge that no threats, promises, or representations have been made, nor agreements reached, other than those set forth in writing in this plea agreement, to cause the defendant to plead guilty. Any modification of this plea agreement shall be valid only as set forth in writing in a supplemental or revised plea agreement signed by all parties.

Paul J. McNulty  
United States Attorney

By: \_\_\_\_\_  
Kelli H. Ferry  
Special Assistant United States Attorney

APPROVED:

\_\_\_\_\_  
Kevin V. Di Gregory  
Acting Chief, Criminal Division  
Date of Approval: \_\_\_\_\_

\_\_\_\_\_  
Defendant's Signature: I hereby agree that I have consulted with my attorney and fully understand all rights with respect to the pending criminal information. Further, I fully understand all rights with respect to the provisions of the Sentencing Guidelines and Policy Statements which may apply in my case. I have read this plea agreement and carefully reviewed every part of it with my attorney. I understand this agreement and voluntarily agree to it.

Date: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Hazem Garada  
Defendant

Defense Counsel Signature: I am counsel for the defendant in this case. I have fully explained to the defendant the defendant's rights with respect to the pending information. Further, I have reviewed the provisions of the Sentencing Guidelines and Policy Statements and I have fully explained to the defendant the provisions of those Guidelines which may apply in this case. I have carefully reviewed every part of this plea agreement with the defendant. To my knowledge, the defendant's decision to enter into this agreement is an informed and voluntary one.

Date: \_\_\_\_\_  
\_\_\_\_\_  
Brian Moran, Esq.  
Counsel for the Defendant

U. S. DEPARTMENT OF JUSTICE  
Statement of Special Assessment Account

This statement reflects your special assessment only. There may be other penalties imposed at sentencing.

ACCOUNT INFORMATION	
CRIM. ACTION NO.:	03-571-A
DEFENDANT'S NAME:	Hazem Garada
PAY THIS AMOUNT:	\$100

INSTRUCTIONS:

1. **MAKE CHECK OR MONEY ORDER PAYABLE TO:**  
*CLERK, U.S. DISTRICT COURT*
2. **PAYMENT MUST REACH THE CLERK'S OFFICE BEFORE YOUR SENTENCING DATE**
3. **PAYMENT SHOULD BE SENT TO:**

	In person (9 AM to 4 PM)	By mail:
<b>Alexandria cases:</b>	<b>Clerk, U.S. District Court 401 Courthouse Square Alexandria, VA 22314</b>	
<b>Richmond cases:</b>	<b>Clerk, U.S. District Court 1000 E. Main Street, #307 Richmond, VA 23219</b>	
<b>Newport News cases:</b>	<b>Clerk, U.S. District Court 101 - 25<sup>th</sup> Street, 2<sup>nd</sup> Floor Newport News, VA 23607</b>	<b>Clerk, U.S. District Court P. O. Box 494 Newport News, VA 23607</b>
<b>Norfolk cases:</b>	<b>Clerk, U.S. District Court 600 Granby Street Norfolk, VA 23510</b>	

4. **INCLUDE DEFENDANT'S NAME ON CHECK OR MONEY ORDER**
5. **ENCLOSE THIS COUPON TO INSURE PROPER and PROMPT APPLICATION OF PAYMENT**

IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA	)	
	)	
v.	)	CRIMINAL NO. 03-571-A
	)	
HAZEM GARADA	)	

STATEMENT OF FACTS

Were this matter to go to trial, the United States of America would prove the following facts beyond a reasonable doubt:

1. From in or about January 2000 to in or about October 2003, in McLean, Virginia, within the Eastern District of Virginia, and elsewhere, the defendant Dr. HAZEM GARADA unlawfully, knowingly, and intentionally executed, and attempted to execute, a scheme or artifice to defraud a health care benefit program and to obtain, by means of false and fraudulent pretenses, and representations money or property owned by health care benefit programs in connection with the delivery of or payment of health care benefits, items and services, in violation of Title 18, United States Code, Section 1347.

2. From in or about 1999 to in or about October 2003, Dr. GARADA operated a medical office at 1515 Chain Bridge Road, Suite 304, McLean, Virginia, within the Eastern District of Virginia, and engaged in the business of providing internal medicine services to patients.

3. During this time, Dr. GARADA participated in several public and private health care benefits programs, including Anthem Blue Cross and Blue Shield (hereinafter "Anthem") and Medicare.

4. Anthem Blue Cross and Blue Shield (formerly known as “Trigon Health Care, Inc. dba Trigon Blue Cross and Blue Shield”), with its headquarters in Richmond, Virginia, is a company which provides health insurance to its beneficiaries and administers self-funded health benefit plans, such as employer-sponsored group plans.

5. “Medicare” is a government-sponsored health insurance program, which pays for medical services provided to elderly, blind and disabled individuals. Medicare is financed, in part, with federal funds through the Centers for Medicare and Medicaid Services. The Medicare program is administered by the Department of Health and Human Services, a department of the United States. Trailblazer Health Enterprises, LLC, located in Timonium, Maryland, is a Medicare contractor, which processes Medicare claims in Northern Virginia for the Centers for Medicare and Medicaid Services.

6. Anthem and Medicare operate “health care benefit programs,” as defined in Title 18, United States Code, Section 24, whose health insurance programs affect commerce.

7. From in or about January 2003 to in or about October 2003, Dr. GARADA completed Health Care Financing Administration Form 1500 (“HCFA-1500”) insurance claim forms for services he allegedly rendered to patients in his medical office.

8. From his office in McLean, Virginia, Dr. GARADA submitted these HCFA-1500 forms to public and private health care benefits programs, including Anthem and Medicare.

9. The HCFA-1500 reflect codes for medical procedures called “CPT” codes (“Physicians’ Current Procedural Terminology”). CPT codes are assigned for various services and procedures provided to new and established patients in a physician’s offices. CPT codes range from 99201 to 99205 for new patients, and from 99211 to 99215 for established patients, depending upon the complexity of the patient complaint and medical examination. When a health care provider charges

for an office visit that is reimbursable at a higher rate than appropriate for the service actually rendered, the physician has “upcoded” his services. Upcoding results in the provider receiving more money than he is entitled to receive.

10. As a physician, Dr. GARADA was familiar with the CPT codes and the required level of medical services and procedures associated with each code and owned a copy of the American Medical Association’s Current Procedural Terminology manual in his office in McLean, Virginia.

11. As part of his scheme to defraud health care benefits programs, Dr. GARADA knowingly submitted, and caused to be submitted, false claims (namely HFCA-1500 claim forms), which were “upcoded” to falsely indicate that Dr. GARADA performed complex and comprehensive office visits under CPT codes 99205, 99204, 99214 and 99215. When Dr. GARADA submitted these forms he knew that he had performed less comprehensive office visits than those indicated on the HFCA-1500 claim forms.

12. Dr. GARADA also routinely submitted, and caused to be submitted, false claims (namely HFCA-1500 claim forms), which reflected comprehensive office visits when in fact Dr. GARADA knew that he had not seen the patient on the date claimed for services rendered or had only provided a prescription refill on the date claimed for services rendered.

13. As an example of Dr. GARADA’s scheme to defraud, Dr. GARADA knowingly submitted a false HFCA-1500 claim to Anthem for patient “JT” for services rendered on March 6, 2003. The HFCA-1500 claim reflected a CPT code 99215. When he submitted the claim to Anthem, Dr. GARADA knew that patient “JT” had not received any type of service on March 6, 2003. Anthem paid Dr. GARADA \$85.00 for this claim.

14. The total loss suffered by Anthem as a result of Dr. GARADA's criminal conduct was approximately \$89,783.

15. The total loss suffered by Medicare as a result of Dr. GARADA's criminal conduct was approximately \$101,198.43.

Respectfully submitted,

Paul J. McNulty  
United States Attorney

By: \_\_\_\_\_  
Kelli H. Ferry  
Special Assistant United States Attorney

After consulting with my attorney and pursuant to the plea agreement entered into this day between the defendant, HAZEM GARADA and the United States, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

\_\_\_\_\_  
Hazem Garada

I am Hazem Garada's attorney. I have carefully reviewed the above Statement of Facts with him/her. To my knowledge, his/her decision to stipulate to these facts is an informed and voluntary one.

\_\_\_\_\_  
Brian J. Moran, Esquire  
Attorney for Hazem Garada

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
Alexandria Division

UNITED STATES OF AMERICA	)	
	)	
v.	)	CRIMINAL NO. 03-571-A
	)	
HAZEM GARADA	)	

**WAIVER OF INDICTMENT**

I, Hazem Garada, the above named defendant, accused of health care fraud in violation of Title 18, United States Code Section 1347, being advised of the nature of the charge(s), the proposed information, and of my rights, hereby waive in open court prosecution by indictment and consent that the proceeding may be by information rather than by indictment.

Date: \_\_\_\_\_

\_\_\_\_\_  
Hazem Garada  
Defendant

\_\_\_\_\_  
Brian Moran  
Counsel for Defendant

Before: \_\_\_\_\_  
UNITED STATES DISTRICT JUDGE

IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA	)	
	)	
v.	)	CRIMINAL CASE 03-571-A
	)	
HAZEM GARADA	)	

**CRIMINAL INFORMATION**

THE UNITED STATES ATTORNEY CHARGES THAT:

1. From in or about January 2000 to in or about October 2003, in McLean, Virginia, within the Eastern District of Virginia, and elsewhere, the defendant HAZEM GARADA unlawfully, knowingly, and intentionally executed and attempted to execute a scheme or artifice to defraud a health care benefit program and to obtain, by means of false and fraudulent pretenses, and representations money or property owned by health care benefit programs in connection with the delivery of or payment of health care benefits, items and services.

**BACKGROUND**

2. Anthem Blue Cross and Blue Shield (formerly known as “Trigon Health Care, Inc. dba Trigon Blue Cross and Blue Shield”) (hereinafter “Anthem”), with its headquarters in Richmond, Virginia, is a company which provides health insurance to its beneficiaries and administers self-funded health benefit plans, such as employer-sponsored group plans.

3. “Medicare” is a government-sponsored health insurance program, which pays for medical services provided to elderly, blind and disabled individuals. Medicare is financed, in part, with federal funds through the Centers for Medicare and Medicaid Services. The Medicare program is administered by the Department of Health and Human Services, a department of the

United States. Trailblazer Health Enterprises, LLC, located in Timonium, Maryland, is a Medicare contractor, which processes Medicare claims in Northern Virginia for the Centers for Medicare and Medicaid Services.

4. Anthem and Medicare operate “health care benefit programs,” as defined in Title 18, United States Code, Section 24, whose health insurance programs affect commerce.

5. Physicians and health insurance companies commonly use “CPT” codes (“Physicians’ Current Procedural Terminology”) to refer to, and arrange payment for, certain medical procedures. CPT codes are assigned for various services and procedures provided to new and established patients in a physician’s offices. CPT codes range from 99201 to 99205 for new patients, and from 99211 to 99215 for established patients, depending upon the complexity of the patient complaint and medical examination. When a health care provider charges for an office visit that is reimbursable at a higher rate than appropriate for the service actually rendered, the physician has “upcoded” his services. Upcoding results in the provider receiving more money than he is entitled to receive.

6. Physicians commonly use Health Care Financing Administration Form 1500 (“HCFA-1500”) to submit claims to health care benefit programs for services rendered to patients.

7. From in or about 1999 to in or about October 2003, Dr. HAZEM GARADA operated a medical office at 1515 Chain Bridge Road, Suite 304, McLean, Virginia, within the Eastern District of Virginia, and engaged in the business of providing internal medicine services to patients.

8. From his office in McLean, Virginia, Dr. GARADA submitted HCFA-1500 forms to public and private health care benefits programs, including Anthem and Medicare.

### SCHEME TO DEFRAUD

\_\_\_\_\_9. From in or about January 2000 to in or about October 2003, Dr. GARADA knowingly submitted, and caused to be submitted, false claims (namely HFCA-1500 claim forms), which were “upcoded” to falsely indicate that Dr. GARADA performed complex and comprehensive office visits under CPT codes 99205, 99204, 99214 and 99215. When Dr. GARADA submitted these forms, he knew that he had performed less comprehensive office visits than those indicated on the HFCA-1500 claim forms.

10. From in or about January 2000 to October 2003, Dr. GARADA routinely submitted, and caused to be submitted, false claims (namely HFCA-1500 claim forms), which reflected comprehensive office visits when, in fact, Dr. GARADA knew that he had not seen the patient on the date claimed for services rendered or had only provided a prescription refill on the date claimed for services rendered.

### SUBMISSION OF FRAUDULENT CLAIM

11. Dr. GARADA knowingly submitted a false HFCA-1500 claim to Anthem for patient “JT” for services allegedly rendered on March 6, 2003. The HFCA-1500 claim reflected a CPT code 99215. When he submitted the claim to Anthem, Dr. GARADA knew that patient “JT”

had not received any type of medical service on March 6, 2003. Anthem paid Dr. GARADA \$85.00 for this claim.

(All in violation of Title 18, United States Code, Section 1347)

Paul J. McNulty  
United States Attorney

By: \_\_\_\_\_  
Kelli H. Ferry  
Special Assistant U.S. Attorney